

MENDAKI Club
Registration Number: 0103/2000
(Registered under the Societies Act, Chapter 311)

Financial Statements
Year ended 31 December 2008

Statement by Executive Committee

In our opinion, the financial statements set out on pages FS1 to FS8 present fairly the state of affairs of MENDAKI Club (the “Club”) as at 31 December 2008 and the income and expenditure and cash flows of the Club for the year ended on that date in accordance with Singapore Financial Reporting Standards.

The Executive Committee has authorised these financial statements for issue on the date of this statement.

On behalf of the Executive Committee

Esa Han Hsien Masood
President

Akmal Abdul Rahman
Treasurer

[dateofsigning]

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Independent auditors' report

Members of the Club
MENDAKI Club
(Registered under the Societies Act, Chapter 311)

We have audited the financial statements of MENDAKI Club (the "Club"), which comprise the balance sheet as at 31 December 2008, the statement of income and expenditure and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages FS1 to FS8.

Executive Committee's responsibility for the financial statements

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Executive Committee, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion:

- (a) the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards to present fairly, in all material respects, the state of affairs of the Club as at 31 December 2008 and the results and cash flows of the Club for the year ended on that date; and
- (b) the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Club have been properly kept in accordance with those regulations.

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
[dateofsigning]

Balance sheet
As at 31 December 2008

	Note	2008	2007
		\$	\$
Non-current assets			
Equipment	3	399	–
Current assets			
Cash at bank and in hand		29,354	25,410
Other receivables	4	2,064	684
Total current assets		31,418	26,094
Total assets		31,817	26,094
Current liabilities			
Accrued operating expenses		12,211	8,848
Due to founder member	5	2,444	1,993
Total liabilities		14,655	10,841
Accumulated fund	6	17,162	15,253
Total fund and liabilities		31,817	26,094

The accompanying notes form an integral part of these financial statements.

Statement of income and expenditure
Year ended 31 December 2008

	Note	2008	2007
		\$	\$
Income			
Grant from founder member		83,775	79,937
Other income		1,633	2,166
Total income		85,408	82,103
Less:			
Expenditure			
Auditors' remuneration		2,000	2,033
Community relation projects		23,107	36,967
Depreciation		100	–
Seminar and functions		36,538	10,005
Stationeries and postage		8,708	10,163
Sundry expenses		8,863	8,960
Tax fees		1,000	1,000
Transportation		985	1,412
Resource materials		–	1,146
Website set-up cost		2,198	–
Total operating expenditure		83,499	71,686
Surplus of income over expenditure for the year			
transferred to accumulated fund	6	1,909	10,417

A separate statement of recognised income and expense has not been prepared as the surplus or deficit for the year would have been the only component of this statement.

The accompanying notes form an integral part of these financial statements.

Cash flow statement
Year ended 31 December 2008

	2008	2007
	\$	\$
Operating activities		
Surplus for the year	1,909	10,417
Adjustments for:		
Depreciation	100	–
	2,009	10,417
Changes in working capital:		
Other debtors	(1,380)	(684)
Accrued operating expenses	3,363	(14,169)
Cash flows from operating activities	3,992	(2,443)
Investing activities		
Purchase of equipment	(499)	–
Cash flows from investing activities	(499)	–
Financing activities		
Amount due to founder member	451	1,993
Cash flows from financing activities	451	1,993
Net increase/(decrease) in cash and cash equivalents	3,944	(2,443)
Cash and cash equivalents at beginning of year	25,410	27,853
Cash and cash equivalents at end of year *	29,354	25,410

* Cash and cash equivalents comprise of cash at bank and in hand.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Executive Committee of the MENDAKI Club (the “Club”) on [dateofsigning].

1 Domicile and activities

The MENDAKI Club is a society registered with the Registrar of Societies under the Societies Act, Chapter 311. The registered office of the MENDAKI Club is at 51 Kee Sun Avenue, Singapore 457056.

The principal activities of the Club are to promote and facilitate the participation and involvement by members in the activities, objects and vision of Yayasan MENDAKI, the founder member.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Club’s functional currency.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The accounting policies set out below have been applied consistently by the Club to all periods presented in these financial statements.

2.2 Income recognition

Donations and grants

Donations are recognised on a receipt basis. Grants are recognised on an accrual basis.

2.3 Equipment

Equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation on equipment is recognised in the income statement on a straight-line basis over their estimated useful lives of each part of an item of equipment.

The estimated useful lives are as follows:

Office equipment	5 years
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Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2.4 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise cash at bank and in hand, other receivables, accrued operating expense and amount due to founder member.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

A financial instrument is recognised if the Club becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Club's contractual rights to the cash flows from the financial assets expire or if the Club transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Financial liabilities are derecognised if the Club's obligations specified in the contract expire or are discharged or cancelled.

2.5 Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement.

Impairment in respect of financial measured at amortised cost are reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

3 Equipment

	Office equipment \$
Cost	
At 1 January 2007 and 31 December 2007	–
Additions	499
At 31 December 2008	499
Accumulated depreciation	
At 1 January 2007 and 31 December 2007	–
Depreciation for the year	100
At 31 December 2008	100
Carrying amount	
At 1 January 2007 and 31 December 2007	–
At 31 December 2008	399

4 Other receivables

	2008 \$	2007 \$
Other receivables	160	184
Deposits	1,500	500
Prepayments	404	–
	2,064	684

5 Due to founder member

The amount due to founder member is non-trade in nature, unsecured, interest-free and repayable on demand.

6 Accumulated fund

	2008 \$	2007 \$
At 1 January	15,253	4,836
Surplus of income over expenditure during the year	1,909	10,417
At 31 December	17,162	15,253

7 Income tax expense

By virtue of the provision of section 11 (1) of the Income Tax Act, Chapter 134, the Club is exempted from taxation provided that its gross receipts on revenue account from members for each year is not less than half of the total gross receipts on revenue account.

As the Club had met the 50% gross receipts requirement, no provision for taxation has been made in the financial statements for the current financial year.

8 Financial risk management

Credit risk

Exposure to credit risk arises in the normal course of the Club's activities and is monitored on an ongoing basis. Cash is placed with regulated financial institutions.

Liquidity risk

Liquidity risk is the risk that the Club will not be able to meet its financial obligations as they fall due.

The Club monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Executive Committee to finance the Club's activities and to mitigate the effects of fluctuation on cash flows.

Market risk

The Club is not exposed to any significant interest rate risk or foreign currency risk.

Fair value

The carrying amounts of financial assets and financial liabilities approximate their fair value as they are short-term in nature.

9 Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Club if the Club has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Club and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Yayasan MENDAKI provides administration services to the Club and receive no monetary remuneration for their services rendered.

10 New accounting standards and interpretations not yet adopted

The Club has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- FRS 1 (revised 2008) *Presentation of Financial Statements*
- FRS 23 (revised 2007) *Borrowing Costs*
- Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
- Amendments to FRS 101 *First-time Adoption of Financial Reporting Standards* and FRS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 102 *Share-based Payment – Vesting Conditions and Cancellations*
- FRS 108 *Operating Segments*
- Improvements to FRSs 2008
- INT FRS 113 *Customer Loyalty Programmes*
- INT FRS 116 *Hedges of a Net Investment in a Foreign Operation*

FRS 1 (revised 2008) will become effective for the Club's financial statements for the year ending 31 December 2009. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact on the Club's financial position or results.

Improvements to FRSs 2008 will become effective for the Club's financial statements for the year ending 31 December 2009, except for the amendment to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* which will become effective for the year ending 31 December 2010. Improvements to FRSs 2008 contain amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. The Club is in the process of assessing the impact of these amendments.

Other than the changes in disclosures relating to FRS 1, the initial application of these standards (and its consequential amendments) and interpretations is not expected to have any material impact on the Club's financial statements. The Club has not considered the impact of accounting standards issued after the balance sheet date.